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Memorandum

TO: BATA Oversight Committee

DATE: June 3, 2009

FR: Executive Director

W. I. 1252

RE: FY 2009-10 Toll Bridge Program Operating and Capital Budget (BATA Resolution No. 86)

This memorandum presents the final FY 2009-10 operating and capital budgets for the toll bridge program. Attachment A includes the line detail for the FY 2009-10 operating budget as compared to the FY 2008-09 revised budget.

There are two revisions to the capital budget from the draft budget that was presented to the Committee in May 2009, as follows:

1. Three projects were added to the 10-Year Toll Bridge Rehabilitation Program totaling \$3.0 million and some minor budget changes were made mostly resulting from aligning the fund allocations with Caltrans actual expenditures for the Rehabilitation Program projects.
2. An AB 1171 Capital Program has been included in the BATA capital budget to provide toll funds in support of the reconstruction of Doyle Drive in San Francisco.

The FY 2009-10 operating budget is unchanged from the draft budget presented to the Committee last month. The major highlights and issues regarding the FY 2008-09 and FY 2009-10 budgets are outlined as follows:

FY 2008-09 Toll Traffic

As shown in Table 1, for FY 2008-09 (through April 2009), total traffic is approximately 2.5 percent less than in FY 2007-08 and toll-paid traffic is expected to be about 2.5 percent lower compared to the previous fiscal year. The table also shows that in comparison to a year ago, toll violations decreased by approximately 32 percent and carpools use was fairly steady.

Table 1 - Toll Traffic – FY 2007-08 & FY 2008-09 (July Through April)

	FY 2007-08	FY 2008-09	Percent Change
Total Vehicles	106,209,632	103,603,651	-2.5%
Toll Paying Vehicles	95,261,085	93,374,859	-2.0%
Carpools/Free Vehicles	8,372,054	8,410,016	0.5%
Violations (True)	2,657,493	1,818,776	-31.6%

FY 2009-10 Draft Budget

Revenue:

For FY 2009-10, staff is proposing vehicle crossings and toll revenue estimates that are about the same as the FY 2008-09 estimated actual revenues. Staff is estimating that FY 2009-10 toll revenue generations for the RM 1, RM 2 and SRP programs will total \$467.0 million, which is about 0.4 percent less than the projected revenue estimates for FY 2008-09.

The FY 2009-10 revenue estimates also include \$17.0 million as a rebate for the Build America Bonds (BAB) that BATA is planning to issue. This amount represents 35 percent of interest expense that the federal government will reimburse to BATA for issuing these bonds.

Operating Expense:

1. For FY 2009-10, the draft budget includes \$32.7 million for Caltrans' operating expenditures, which is about \$2.4 million (-7 percent) less than the FY 2008-09 adopted budget. The major highlights in the Caltrans' portion of the budget include:
 - The Toll Collections line item for FY 2009-10, which accounts for almost 70 percent of the Caltrans operations budget, is projected to be \$22.0 million, which is 11 percent less than the FY 2008-09 adopted budget. The budget reduction is due to the implementation of manual toll collection staffing reductions as proposed in the FasTrak[®] Strategic Plan, which was adopted by the Authority in June 2009. These reductions will be achieved through reassignment and attrition.
 - Toll funds pay for Caltrans' bridge structure maintenance (Category A Maintenance) expenses and toll facility maintenance (Category B Maintenance) for the state-owned bridges. Pursuant to state law, BATA pays the Category Maintenance A expenses for all bridges that have completed seismic retrofits. For FY 2009-10, staff is proposing a total budget of \$10.2 million for Maintenance A and B activities, which is 3.5% more than the maintenance budget for FY 2008-09. This amount reflects the approximate same service level for maintenance activities as in FY 2007-08, but reflects an increase in the benefits rate for Caltrans maintenance employees.
2. In April 2009, the Oversight Committee authorized staff to enter into a four year contract extension with ACS State and Local Solutions for the continued operation of the CSC. As part of the negotiations for the contract extension, BATA and the CSC agreed on a revised cost structure for the operations. For FY 2009-10, staff is proposing a total budget of \$14.9 million for the operation of the FasTrak[®] Customer Service Center (CSC), which is \$1.1 million (-7 percent) less than the adopted budget for FY 2008-09.
3. For FY 2009-10, a total of about \$41 million is budgeted for BATA's Administration costs for the RM 1, SRP, and RM 2 toll bridge programs, which represents a 39 percent increase from the FY 2008-09 budget. Almost all of the increase in BATA's administration costs is due to BATA's finance costs increasing from \$20 million in FY 2008-09 to \$32 million in FY 2009-10 due to increased liquidity fees for BATA's variable rate debt.
4. Additionally, although not directly shown in the operating budget, the BATA finance plan includes a reserve of 2 times the operating and maintenance budget.

Capital Programs:**Regional Measure 1 Toll Bridge Program**

For FY 2009-10, Caltrans has requested a total net allocation of \$11.6 million to fund on-going support for construction oversight of the remaining Regional Measure 1 (RM1) contracts. In addition, to the support allocations, staff is recommending budget savings totaling \$30 million from completed RM 1 projects to be transferred to the Toll Bridge Rehabilitation Program. The proposed fund allocations are included in the adopted project budgets. Table 2 below shows the distribution of support allocations for FY 2009-10.

Table 2 - FY 2009-10 Regional Measure 1 Capital Support Allocations

Project	Total FY 2009-10 Support Allocation (millions)	Notes
New Benicia-Martinez Bridge	\$2.5	Construction oversight support
New Carquinez Bridge	\$0.2	Final project close-out
Interstate 880/State Route 92 Interchange	\$8.9	Construction oversight support
Total	\$11.6	

Toll Bridge Seismic Retrofit Program

For the Toll Bridge Seismic Retrofit Program (SRP), at its March meeting, the Toll Bridge Program Oversight Committee (TBPOC) established a FY 2009-10 budget target of \$111.7 million for Caltrans on-going construction oversight and design support costs for the San Francisco-Oakland Bay Bridge East Span Replacement Project. The proposed fund allocations are included in the adopted project budgets.

Table 3 - FY 2009-10 Seismic Retrofit Program Capital Outlay Support Allocations

Project	Total FY 2009-10 Support Allocation (millions)	Notes
SFOBB East Span Replacement Project	\$111.7	Design and construction support
SFOBB West Approach Project	(\$0.2)	Net reduction
Seismic Retrofit Program Total	\$111.5	

Toll Bridge Rehabilitation Program

A ten-year Toll Bridge Rehabilitation Program has been adopted by BATA to maintain the safe and efficient operation of the bridges and associated facilities. For FY 2009-10, we have updated the Rehabilitation Plan (Table 4), which includes a total of \$171 million in the most critical bridge structure rehabilitation and toll collection projects over the 10-year period.

Table 4 - FY 2009-10 Toll Bridge Rehabilitation Program Capital Allocations

Toll Bridge Rehabilitation Projects	Capital Allocation (millions)	Support Allocation (millions)
Dumbarton and Antioch Bridge Seismic Analysis	\$2.0	\$5.6
Bridge Rehabilitation Projects	\$0.1	\$7.3
Plaza and Facility Rehabilitation Projects	\$34.5	\$2.9
Revenue Collection Upgrades and Tag Procurement	\$8.0	\$0.0
FasTrak® Strategic Plan and Toll Plaza Improvements	\$9.5	\$2.4
Miscellaneous Projects and Inspection	\$1.9	\$2.7
Totals	\$56.0	\$20.9

AB 1171 Capital Program – Doyle Drive Project

The purpose of the Doyle Drive construction project is to improve the seismic, structural, and traffic safety of Doyle Drive, located in San Francisco. The project replaces three of the Bay Area's 11 most structurally deficient bridges, including the Presidio and Marina Viaducts, and Ruckman Avenue Undercrossing.

AB 1171 authority provided funding for congestion relief projects in the toll bridge corridors. In September 2008, MTC adopted Resolution 3434, Revised, which programmed AB 1171 funding for congestion relief projects in the toll corridors. In November 2008, BATA adopted Resolution 82, committing \$80 million of AB 1171 funds to the Doyle Drive project. The \$80 million AB 1171 bridge toll commitment and \$75 million from the Golden Gate Bridge, Highway and Transportation District (GGBHTD) were included in a Memorandum of Understanding (MOU) between MTC, GGBHTD and the San Francisco County Transportation Authority to help secure full funding status for the project. The MOU provided that the MTC and GGBHTD funding contributions must occur no later than the final year of project construction.

A balanced funding strategy has been developed for Doyle Drive, relying on a combination of federal, state, regional and local funds to meet the project's approximately \$1.045 billion price tag. In conjunction with project funding partners, Caltrans is accelerating the project construction schedule to deliver this essential safety improvement project earlier and avoid escalation costs. Therefore, Caltrans has requested that the \$80 million contribution from MTC be allocated in June 2009, which would allow Caltrans to award and provide early delivery of four of the eight Doyle Drive construction contracts. To implement the funding process, it is proposed that the BATA budget include an AB 1171 capital program, which identifies a specific BATA programmatic commitment and allows MTC to allocate budgeted toll funding to eligible projects.

Please note that MTC staff is recommending that \$80 million in funds be allocated to Caltrans for the Doyle Drive project at the June 2009 Programming & Allocation Committee.

Recommendation

Staff recommends that this Committee refer BATA Resolution No. 86 to the Authority for approval.

A handwritten signature in black ink, appearing to be 'S. Heminger', written over a horizontal line.

Steve Heminger

SH: rmc